

1
2
3
4 UNITED STATES BANKRUPTCY COURT
5 WESTERN DISTRICT OF WASHINGTON

6 In re

7 Beverly Jane Cary,

8 Debtor,

Chapter 13 Case No 20-12450 TWD

9
10 DECLARATION OF ATTORNEYS IN
11 SUPPORT OF MOTION FOR ATTORNEYS'
12 FEES

13 We, Melissa Huelsman, Christina Henry, and Mark McClure ("Attorneys") declare
14 under threat of perjury under the laws of Washington State as follows:

- 15 1. We are over the age of eighteen (18) and are competent to testify based upon
16 personal knowledge to the matters stated herein.
- 17 2. We are the attorneys who represented Debtor, Beverly Jane Cary, litigated and
18 negotiated for a settlement in this matter with PATCH SERVICES, LLC d/b/a
19 NOAH; PATCH HOMES, INC, ("PATCH"). This settlement was approved
20 providing for extinguishment of PATCH'S lien and proof of claim against the
21 debtor's home in the amount of \$122,500.00 plus \$5,000. See ECF No. 113.
- 22 3. The terms of the Fee Agreement between Debtor and Attorneys as disclosed and
23 presented in Exhibit A, of Application to Appoint, ECF No. 94 which provides:
- b) The greater of either (a) forty percent (40%) of all sums recovered after
commencement of litigation or arbitration, whether such recovery is made
through settlement, or other means, or (b) attorneys' fees and costs recovered in
accord with any applicable statute.
4. PATCH'S claim based upon the agreement that was eliminated through the effort
of Attorneys gave Patch an equity share of 57.91% of the equity accumulated

ATTORNEYS' DECLARATION IN
SUPPORT -- 1

Law Office of Mark McClure, P.S.
1103 West Meeker Street, Ste 101
Kent, WA 98032
(253) 631-6484

1 above \$263,527 plus their initial “investment amount” of \$62,000. As indicated in
2 a concurrently motion to approve sale of real property, the value of the property is
3 now \$429,200. The difference, \$165,673. 57.91% of \$165,673 at this point if it
4 had not been eliminated would have been \$95,941.23. \$95,941.23 plus \$62,000
equals \$157,941.23.

- 5 5. Mark McClure began his investigation into Debtor’s claims upon acquisition of the
6 case in 2020. This investigation expanded and incorporated the inclusion of
7 additional consumer law attorneys, Christina Henry and Melissa Huelsman, both of
8 whom are recognized within the bar as experienced litigators against various
9 finance and mortgage companies. The complaint against the finance company in
10 this case involved a relatively novel consumer product that attempts to evade all or
11 nearly all state and federal consumer protections granted to homeowners.
- 12 6. Upon appointment, counsel for Ms. Cary began a deep dive investigation into
13 Debtor’s claims by reviewing proof of claims, the loan package submitted to Ms.
14 Cary by the escrow agent, relevant statutes and case law where available, along
15 with a number of interviews with Debtor. The work involved in this case in
16 preparing the three Complaints was unique and required a great deal more time
17 than what would be involved in a “normal” case. This was because the type of
18 transaction involved, a purported “equity sharing agreement” that the Defendant
19 denied was a loan was an entirely new product. As of yet, there hasn’t been any
20 definitive actions taken yet by federal or state regulators on these products and
21 there have only been a few other court cases involving similar types of products.
22 Thus, counsel for Debtor had to dig through other statutes and case law to
23 determine the ways in which they could and should be applied to the product.
Counsel also had to identify the ways in which the escrow agent may have violated
federal and state laws, and ultimately they ascertained that it was liable to Ms. Cary
for injecting an arbitration clause into the transaction which purported to apply to
the entirety of the subject loan. Because Ms. Cary’s lawsuit was really the first of

1 its kind that could be identified, counsels were especially cognizant of the necessity
2 of the Complaint being as detailed and precise as possible. That is the reason that
3 there ended up being three versions of it were filed.

4 7. After several rounds of negotiation with PATCH, efforts by counsel resulted in the
5 settlement approved by this court.

6 8. The benefit conveyed to Debtor could not have been obtained prior to litigation.
7 The settlement finally approved by the Court didn't occur as to PATCH until eight
8 months after initiation of litigation. No offers to settle have been made by the
9 remaining co-defendant in the litigation, First American Title Insurance Company.

Dated October 14, 2022 in Kent, Washington.

LAW OFFICE OF MARK MCCLURE, PS

10 By: /s/ Mark C. McClure
11 Mark C. McClure, WSBA #24393
12 Attorney for Plaintiff/Debtor

13 Dated October 14, 2022 in Seattle, Washington.

14 LAW OFFICES OF MELISSA A. HUELSMAN, P.S.

15 By: /s/ Melissa A. Huelsman [approved via email]
16 Melissa A. Huelsman, WSBA #30935
17 Attorney for Plaintiff

18 Dated October 14, 2022 in Seattle, Washington.

HENRY & DEGRAFF, PS

19 By: /s/ Christina L. Henry [approved via email]
20 Christina L. Henry, WSBA #31273
21 Attorney for Plaintiff
22
23